
**MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE POLICEMEN'S
ANNUITY & BENEFIT FUND
HELD
THURSDAY – MARCH 22, 2018**

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held March 22, 2018, at 12:30 P.M. at the office of the Fund, 221 N. LaSalle Street, Room 1626, Chicago, Illinois for the consideration of applications and bills, and for other such matters that came before the Board. The contents of this meeting were transcribed by Esquire Communications, Ltd. Court Reporters and are made a part of the record.

PRESENT: Trustees Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

ABSENT: Caldero 1.

PRESIDING: President Hauser

President Hauser called the meeting to order.

First order of business is review of the Minutes of the Regular Board meeting held February 28, 2018.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the minutes of February 28, 2018, as submitted.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

The next order of business was review and approval of the minutes of the Investment Committee meeting held March 16, 2018.

It was moved by Trustee Beyna, seconded by Trustee Hamburger that the Board approve the minutes of March 16, 2018, as submitted.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

The next order of business was review and adoption of a Board order as submitted by the Board's counsel.

In the matter of **Ronald Holt**, "Pursuant to 40 ILCS 5/5-214, and for all the reasons stated herein, Holt has established entitlement to the police pension service credit sought for the period July 1st, 2010, the date Holt assumed the director of CAPS position with the CPD, to a date to be determined, the date Holt ceases employment in the specified position, as the statutory provision of the Act grants police pension service credit for such service; and the contribution required by Holt to the Fund for the sought police pension service credit shall be calculated based upon the amount Holt would have contributed with interest assuming Holt had remained an active member of the CPD in the rank of police officer. Holt's request for police pension service credit for all or part of the time period requested is, therefore, granted."

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the order regarding Ronald Holt.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

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The President turned the meeting over to the Recording Secretary. Review of the agenda was as follows:

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1 - 4 Incurred Expenses for the Month of March 2018.

It was moved by Trustee Brown, seconded by Trustee Wodnicki that the Board approve the Obligations as detailed on pages 1 through 4.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

5 - 7 Refunds of Contributions; Withdrawal of Service, Widow's Annuity Accumulations, and Exempt Rank.

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the Refunds as detailed on pages 5 through 7.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

8 - 9 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Hauser, seconded by Trustee Brown that the Board approve payments to heirs of deceased annuitants as detailed on pages 8 and 9.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

10 Refunds of Unused Annuity Accumulations

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the refunds of unused annuity accumulations as detailed on page 10.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

11 - 12 Annuities [Summary pg. 13]

It was moved by Trustee Hauser, seconded by Trustee Summers that the Board approve the Annuities as detailed on pages 11 and 12.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

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14 - 15 Annuities to Widows [Summary pg. 16]

The Executive Director reviewed with the Board members the application for a Widow's Annuity for a deceased retired officer, Albert Jordan. The Fund's documentation indicates an inaccurate date of birth was consistently used on documents of Retired Officer Jordan. The birth date used of 1928 differs from the actual birth date of 1932. This inaccurate date accelerated cost-of-living adjustments paid to him. The summation of these cost-of-living increases paid based upon an inaccurate date of birth sums to over \$72,000.

The Board requested the Executive Director contact the widow to make an effort to recover the overpayment, with a reasonable payment plan.

It was moved by Trustee Hauser, seconded by Trustee Wodnicki that the Board approve the Annuities to Widows as detailed on pages 14 and 15.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

17 Annuities to Children

The application for Eugene T. Watson for a disabled child's annuity was reviewed and discussed.

It was moved by Trustee Brown, seconded by Trustee Beyna that the Board approve the Annuities to Children as listed on page 17.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

18 Ordinary Disability Claim

a) Wiedenski, Jelena

Based on the medical reports, it was moved by Trustee Hauser, seconded by Trustee Beyna that the Board grant an ordinary disability benefit to Jelena Wiedenski.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

b) Zavesky, Dawn M.

Based on the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Hauser that the Board defer all disability benefit to Dawn Zavesky to a hearing.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

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19 Duty and Occupational Disease Disability Claims
 c) Nelson, Kimberly

Based upon the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Summers that the Board defer disability benefit to Kimberly Nelson to a hearing.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

 d) Tietz, Robert C.

Based upon the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board grant the officer subject to a full evidentiary hearing an ordinary disability benefit without prejudice with the understanding that the Board reserves the right prior to such hearing to revisit and terminate that benefit if it is deemed warranted.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

20 - 22 Payment of Death Benefits [Summary pg. 23]

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board deny the applications for death benefits for the named beneficiaries of Isom Walton and James Wilson, as each officer did not apply for his annuity within 60 days after separation of service and thus did not meet the criteria of the Pension Act.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the remaining Death Benefits as detailed on pages 20 through 22.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

LEAVES

24 REQUESTS FOR PENSION CREDIT FOR LEAVE OF ABSENCE MILITARY
 SERVICE USERRA 5/5-212

Documentation verified, it was moved by Trustee Brown, seconded by Trustee Hamburger that the Board approve the requests to purchase leave of absence military service as detailed on page 24.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

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MISCELLANEOUS

25 GUARDIANSHIP APPOINTMENT
 Damico, Gabriel

Documentation verified, it was moved by Trustee Hauser, seconded by Trustee Brown that the Board acknowledge the guardianship appointment as detailed on page 25.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

26 GUARDIANSHIP APPOINTMENT
 Neumann, Dolores

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board acknowledge the guardianship appointment as detailed on page 26.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

27 REQUESTES TO PURCHASE PENSION CREDIT FOR PRIOR COOK
 COUNTY SERVICE UNDER 5-214

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the requests to purchase prior service as detailed on page 27.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

28 REQUESTS FOR PENSION CREDIT FOR PRIOR MILITARY
 SERVICE UNDER 5-214.3

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve the requests to purchase prior military service as detailed on page 28.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board enter into executive session per 2 (c)(11).

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

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It was moved by Trustee Wright, seconded by Trustee Beyna that the Board exit the executive session.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

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REFERENCE

HEARINGS

29 REQUEST TO PURCHASE PENSION CREDIT FOR LEAVE OF ABSENCE SERVICE
Markovich, Nenad N.

Officer Markovich was provided a written notice of hearing, sent via certified mail, regarding his request to purchase pension credit for leave of absence service, which advised him that if he did not appear at the scheduled hearing today, the Board reserved the right to review the record as submitted by him and render a final decision at that time. Officer Markovich had advised the Fund that he would not be present at today's hearing, and as such, the Board is ready to review the record and make a decision.

After review of the record, including the documents submitted by Officer Markovich, and the Pension Act, *it was moved by Trustee Beyna, seconded by Trustee Wright that the Board deny Officer Markovich's application to purchase pension credit for prior service pursuant to the Pension Act.*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

30 REQUEST TO PURCHASE PENSION CREDIT FOR PRIOR SERVICE
Rodriguez, Victor P.

Officer Victor Rodriguez appeared, with counsel, before the Board on his application to purchase pension credit for prior service. After hearing testimony from Officer Rodriguez, *it was moved by Trustee Wodnicki, seconded by Trustee Hamburger that the Board deny the application to purchase pension credit for prior service.*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

DISABILITY HEARINGS

31 DUTY DISABILITY STATUS REVIEW
Enderle, Diana M.

Diana Enderle again appeared, without counsel, before the Board on a status review of her duty disability. Board counsel reviewed with Diana Enderle the procedures of an administrative hearing, along with her right to have an attorney represent her. Ms. Enderle agreed to proceed without legal representation.

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Disability status hearings in this matter commenced at the December 2017, and February 2018, Board meetings, which were continued under advisement.

After hearing lengthy testimony from Officer Enderle, the Board's consulting physician Dr. Peter Orris, and Sgt. Thomas Risley of the Chicago Police Department Medical Section *it was moved by Trustee Hamburger, seconded by Trustee Wodnicki that the Board enter into executive session per 2(c)(11).*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

It was moved by Trustee Brown, seconded by Trustee Hamburger that the Board exit the executive session.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

Additional testimony from Sgt. Risley was heard.

It was moved by Trustee Beyna, seconded by Trustee Brown that the Board terminate Diana Enderle's duty disability benefits effective April 30, 2018, and directs her to complete the procedures for reinstatement to the CPD.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

32 OCCUPATIONAL DISEASE DISABILITY CLAIM

Storey, Ricardo T. ♦

Ricardo Storey appeared before the Board, without counsel, on his claim for an occupational disease disability benefit. Board counsel reviewed with Ricardo Storey the procedures of an administrative hearing, along with his right to have an attorney represent him. Mr. Storey agreed to proceed without legal representation. After hearing testimony from Officer Ricardo, the Board's consulting physician, Dr. Peter Orris, and reviewing the records submitted in this matter, *it was moved by Trustee Wright, seconded by Trustee Wodnicki that the Board award Officer Ricardo T. Storey an occupational disease disability benefit.*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

The Executive Director reviewed with the Board the following matters.

- Dr. Orris addressed the status and annual exam of disability recipient Michael Kennelly.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve a Functional Capacity Evaluation on this member.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

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It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board enter into executive session per 2 (c)(11).

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board exit the executive session.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.

Absent: Caldero 1.

Against: 0.

- The next item discussed concerned the option for retirees to authorize deductions from their pensions for healthcare coverage provided by Aetna; Blue Cross/Blue Shield; and United American Insurance, as previously discussed and approved by the Board. To establish this deduction from a member's annuity, Fund staff had sent written communication to annuitants in which each annuitant was to provide written authorization for the insurance premium deduction. The insurance companies have sent files of enrolled members with the deductions charged, which have been paid to ensure continuation of coverage for the annuitants. To date, however, there are slightly less than 200 members that have deductions coming out of their pension checks, but such members have yet to provide written authorization. A drafted letter was distributed to the Board members' review. This letter will be sent to the members requesting completion of the authorization. Ms. Tuczak noted this is a sensitive matter as the Fund does not wish to stop the deductions and cause a lapse in health care coverage.
- Ms. Tuczak next revisited the annuity overpayment to Chester Hornowski, which was discussed at a previous meeting. Ms. Tuczak had spoken again with Mr. Hornowski's surviving spouse, who again offered to forfeit the death benefit of \$6,000 in lieu of any further recovery. However, if an additional money sum is to be requested of her, Ms. Hornowski requested the death benefit be paid to her and she will agree to a \$50 monthly payment towards the indebtedness.

It was moved by Trustee Wright, seconded by Trustee Summers that the Board accept the \$6,000 death benefit that the surviving spouse of Mr. Hornowski offered in lieu of the \$15,000 overpayment.

ROLL CALL

For: Beyna, Brown, Hauser, Summers, Wodnicki, Wright 6.

Absent: Caldero 1.

Against: Hamburger 1.

- While on the topic of annuity overpayments, Ms. Tuczak discussed the matter of deceased widow, Ellen Collins. During the Fund's signature affidavits request, Ellen Collins had failed to return her affidavit. This resulted in a suspension of her widow's annuity late in 2016. During the Fund's investigation it was revealed that Ellen Collins passed away in 2014, resulting in an overpayment of widow's annuity of approximately \$14,000. Attempts to recover the erroneously paid annuity have gone unresolved. After much discussion it was agreed that Board counsel shall contact the family members of Ellen Collins and work on a resolution, which may include reporting the matter to the State's Attorney or criminal charges.

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- The next item was an update concerning the Lieutenants' grievance settlement regarding pensionable salary increases effective July 1, 2016. After discussion on this matter, the Board agreed that retroactive pension calculations would only be completed after finalization of the new salary contract between the respective union and the City of Chicago. This procedure will ensure that retroactive calculations are completed only once on each member impacted.
- The next item for discussion was two legislative matters. There are two bills pending downstate; one is a compound COLA after age of 75; and the other is removing the birth year restriction on the 3.0% COLA. The Board requested impact statements on both legislative matters, but also requested the Executive Director to negotiate price concessions with the Fund's actuarial firm, GRS. The Executive Director discussed the pricing obtained and expected timeline of the impact statements.
- While on the topic of actuarial issues there was discussion concerning the December 31, 2017, valuation. For the December 31, 2016, valuation, the liability associated with the healthcare subsidy was removed because at that time no subsidy was provided through the statutes. However, an Appellate court decision has changed things. At issue, however, is that the mechanics of this subsidy issued through the Appellate court have not been determined and are still being negotiated with the various parties involved. In order to complete the actuarial valuation in-time for year-end reporting requirements, a decision on inclusion of the liability must be determined very soon. After discussion it was mutually agreed to not include the insurance subsidy in the 2017 valuation, due to uncertainty of the exact members and dollars involved.
- Ms. Tuczak next discussed a request from the Fraternal Order of Police's (FOP) Disability Committee, who wishes to perform a mailing to current members in receipt of disability benefits, but does not have addresses on these members. The practice of the Fund is that member addresses are not provided to outside parties, however, a blind mailer can be sent. The procedure is such that the Fund provides addresses to a printer selected by the Fund, the FOP provides their printing material to the printer, and the printer sends the materials, at the expense of the FOP. Once the mailing is complete, the printer destroys this address list, never giving the addresses to the FOP. The Board approved providing the addresses in this manner for the FOP requested mailing.
- The last item concerns a disability recipient, Patricia J. Mackey. She was scheduled twice to be examined by the Board's physician, and failed to keep the appointments. She is scheduled for a third time to see the Board's physician. The policy has been if a member fails to keep medical appointments, the disability benefit shall be suspended until the appointment is kept.

It was moved by Trustee Hamburger, seconded by Trustee Wodnicki that the Board suspend Patricia Mackey's disability benefit until she attends her scheduled medical appointment.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.

All business concluded for this date, March 22, 2018, *it was moved by Trustee Hamburger, seconded by Trustee Wodnicki that this meeting be adjourned.*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Summers, Wodnicki, Wright 7.
Absent: Caldero 1.
Against: 0.